



City of Tigard

Business/Workshop/CCDA Minutes

TIGARD CITY COUNCIL/LCRB/CCDA

MEETING DATE/TIME: August 21, 2012 – 6:30 p.m.

MEETING LOCATION: City of Tigard – Town Hall, 13125 SW Hall Blvd., Tigard, OR 97223

1. BUSINESS/WORKSHOP MEETING

A. At 6:31 p.m. Mayor Dirksen called the City Council, Local Contract Review Board & City Center Development Agency meeting to order.

B. Deputy City Recorder Krager called the roll.

| | Present | Absent |
|---------------------------|---------|--------|
| Council President Buchner | | ✓ |
| Mayor Dirksen | ✓ | |
| Councilor Henderson | ✓ | |
| Councilor Wilson | ✓ | |
| Councilor Woodard | ✓ | |

C. Pledge of Allegiance

D. Council Communications & Liaison Reports: None

E. Call to Council and Staff for Non-Agenda Items: City Manager Wine reported on communication from the public at the August 14, 2012, meeting. She reported that Park Street neighbors were concerned about uses and activities emerging at a property on that street. She said she will meet with the owner to gain a better understanding of what is happening at the property. A meeting will then be scheduled with the neighbors and the owner/operator of the property with the goal of mutual understanding and addressing the concerns.

2. CONSENT AGENDA: (Tigard City Council and Local Contract Review Board)

A. Approve City Council Meeting Minutes for:
1. June 26, 2012

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

B. Approve a Cooperative Agreement with Oregon Department of Transportation and Walmart

Mayor Dirksen asked council if any member wanted to remove an item for separate discussion and there was no request to do so. Councilor Wilson moved for approval of the consent agenda and Councilor Henderson seconded the motion. The motion passed by a unanimous vote of council present.

| | <i>Yes</i> | <i>No</i> |
|------------------------------------|------------|-----------|
| Council President Buehner (absent) | | |
| Mayor Dirksen | ✓ | |
| Councilor Henderson | ✓ | |
| Councilor Wilson | ✓ | |
| Councilor Woodard | ✓ | |

➤ **CONSIDER SUBMITTING A PROPOSED CHARTER AMENDMENT TO THE NOVEMBER 6, 2012, BALLOT REQUIRING A PUBLIC VOTE RELATED TO LIGHT RAIL CONSTRUCTION FUNDING**

City Manager Wine presented this item and said if approved by council it would place a referendum on the November ballot for Tigard voters to consider. This amendment to Tigard's city charter requires a public vote before imposing any new fees or taxes for light rail construction. She said if council desired to place this on the November ballot, a decision would have to be made tonight in order to meet notification requirements.

Councilor Henderson inquired about a few changes from draft language reviewed earlier. City Manager Wine replied that the draft language was a word or two over the word-count limit in the caption and question areas and so required editing. She said staff also talked with Tigard's southwest corridor area partners, including TriMet, Metro and other cities and asked how this action would be viewed by them. Feedback indicated that it was important in the summary to let people know that what they are voting on is not a certainty in terms of the mode of high capacity transit that may come to the southwest corridor region in the future. She said the language marked in blue in the council packet is based on this feedback from Tigard's partners. She noted that this charter amendment would only be in effect if light rail is the mode of transportation selected.

Mayor Dirksen said another slight change is a clarification that it would prohibit both the imposition of new taxes and fees and also increasing existing taxes. Councilor Woodard said the language clarifies that it is for construction of only that type of project and does not prohibit the ability to plan.

Councilor Henderson asked for the timeline. City Manager Wine said passage of this resolution is a notification to the city recorder of council's intent to place this on the ballot. City Recorder Wheatley said that if passed tonight, she would publish it on Thursday in the Tigard Times. Anyone can appeal the measure up until September 4, 2012, and after that date has passed with no appeals, it would be filed with Washington County. Mayor Dirksen asked what could be appealed. City Attorney Watts replied that an example of what could be alleged is that a ballot title

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

is not accurate or does not summarize the measure. He said that due to the strict word limit everything cannot be put into the caption so the most important elements have to be selected.

Councilor Wilson moved for approval of Resolution No. 12-23. Councilor Woodard seconded the motion. Deputy City Recorder Krager read the number and title of the resolution. Mayor Dirksen asked if there were any comments or questions. City Recorder Wheatley said City Attorney Ramis asked that she convey to council that any appeals go to the city elections officer (city recorder), not to the circuit court. She said this is particular to Tigard and is contained in the Tigard Municipal Code. A vote was taken and the motion passed by a unanimous vote of council present.

12-23 – A RESOLUTION OF THE TIGARD CITY COUNCIL SUBMITTING TO THE VOTERS A PROPOSED CHARTER AMENDMENT TO BE CONSIDERED AT THE NOVEMBER 6, 2012, GENERAL ELECTION, WHICH WOULD REQUIRE A PUBLIC VOTE PRIOR TO IMPOSING NEW LOCAL TAXES OR FEES TO FUND LIGHT RAIL CONSTRUCTION, SAID CHARTER AMENDMENT WILL EXPIRE TEN YEARS AFTER ITS EFFECTIVE DATE

| | <i>Yes</i> | <i>No</i> |
|------------------------------------|------------|-----------|
| Council President Buehner (absent) | | |
| Mayor Dirksen | ✓ | |
| Councilor Henderson | ✓ | |
| Councilor Wilson | ✓ | |
| Councilor Woodard | ✓ | |

WORKSHOP MEETING

At 6:41 p.m. the City Council entered into the Workshop segment of the meeting.

3. RECEIVE CAPITAL IMPROVEMENT PLAN UPDATE

City Engineer Stone said other than the street maintenance program which is currently winding down; there has been a construction lull in Tigard. He said with the adoption of the 2012-2013 Capital Improvement Program (CIP) there will be a significant amount of work beginning. He detailed upcoming work, giving examples of various sized projects.

Projects include:

- 92nd Avenue Sidewalk on Waverly Drive to Cook Park - Significant wetlands limit activity so construction will be concentrated on the east side of 92nd Avenue. The project requires land use approval and may require review by the Army Corps of Engineers and other state or federal agencies. A request for this project came to the city from citizens. Estimate \$500,000.
- East Butte Heritage Park Development - Improvements are funded from the parks bond and include restrooms, trail improvements, a covered area for picnics, and road improvements. Pedestrian linkage will be created between three neighborhoods. Sidewalks are included along the street and through the park.

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

Councilor Henderson asked about the percentage of parks bond money and Engineer Stone estimated it covers almost half of the project cost.

- Walnut Street Reconstruction and Widening (Tiedeman to 116th) – Engineer Stone said that due to efforts of Mayor Dirksen and the Washington County commissioners, Tigard was able to secure \$5 million to improve Walnut Street from Tiedeman to 116th. This project will be constructed by Washington County under the MSTIP program. The city began the design and acquired most rights of way years ago but has been waiting for funding. Councilor Henderson requested a copy of the construction plans.
- Pacific Highway/McDonald Street/Gaarde Street Intersection – This project improves this intersection and staff is recommending Option A.2 which improves all approaches to the intersection, adds left-turn lanes on McDonald and Gaarde and adds turning and through lanes on 99W. This project will cost \$9.5 million and the funds come from many sources.
- Main Street Reconstruction (Green Street) – The design phase is completed and city is now in the process of acquiring right of way. Phase I construction is going to bid after the first of the year with construction starting next spring or early summer.
- Bonita Road Water Pump Station – This pump station will take low pressure water from the Lake Oswego water facilities, pump it into Tigard's distribution system and gradually distribute it to other areas of the city. The project will be bid at the same time as the water treatment plant.

In response to a question from Councilor Woodard, Mayor Dirksen said the city assembled \$5 million for the Pacific/McDonald/Gaarde project but that was not enough to do the entire project. Tigard subsequently received another \$10 million from the MSTIP program this cycle and about \$5 million will be used for this project.

Councilor Woodard said he wanted it in the record that when the time arises to recommend future projects, the Tiedeman /North Dakota area should be listed for council consideration. Mayor Dirksen said there is ongoing dialog on this and the project needs to be better defined prior to seeking a funding source.

City Manager Wine added that staff is striving to ensure that CIP transportation project priorities are aligned with council priorities. She said her hope is that staff can bring a CIP report to council on a quarterly basis to show what projects are next on the list. When the funding cycle opens up we can be successful in leveraging transportation funding by having a plan. Councilor Wilson commented that CIP updates were previously issued annually but it is of greater value to see a five-year timeline and know what is coming up in the queue.

Audience member Art Cornelius, 13398 Benchview Terrace, Tigard, OR, requested to speak. Mayor Dirksen asked if council was amenable to having a member of the public speak during a work session and they were favorable. Mr. Cornelius asked who the Pacific/McDonald/Gaarde project is supposed to benefit. He said improving passage through Tigard will benefit people in McMinnville, Dundee and those driving to and from Portland. He said he

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

sees limited benefit to Tigard residents who are footing the bill for this project. Mr. Cornelius said he drives through the intersection two or three times a week and agreed it is not ideal. He expressed skepticism about the cost benefits.

Mayor Dirksen responded that for years, when the city heard from residents polled on where the focus should be, they said traffic congestion on 99W was priority. He said the Pacific/Gaarde McDonald project improves turning movements through the intersection for Tigard residents using the highway to get to their homes as they will be able to enter and exit it more easily. He said the majority of the funding comes from Washington County and the remainder comes from state and city gas taxes and previous federal ODOT grants.

Mr. Cornelius said Councilor Henderson sent out a questionnaire and he submitted suggestions such as timing the 99W traffic signals to expedite travel. Mayor Dirksen responded that two years ago a major upgrade was completed on Hall Boulevard/99W and Greenburg Road/99W and the traffic control system was replaced from the top of the hill through to Durham Road. A federal grant paid for a new control system, taking it from a limited, 30-year-old system to one that is interactive and adjusts to traffic volume, direction, and time of day. Mr. Cornelius said he found this relatively ineffective.

Councilor Henderson commented that this intersection's high accident count is a major problem that they are trying to solve. He referred to computerized data gathering by the new traffic signal system and said ODOT is still training on this and working out the bugs. He asked Mr. Cornelius to be patient as it will improve over time.

Councilor Wilson asked Mr. Cornelius what alternatives he would suggest. He said better timing for the signal system. He said his question was not on the advisability of modifying the Gaarde/McDonald/Pacific intersection; he was questioning the cost/benefit ratio. He added that taxes from Washington County and Oregon "also come from us."

City Engineer Stone said project modeling indicates that during morning peak hours, the capacity would be improved by 18 percent and in the evening peak hour by up to 31 percent.

Councilor Woodard asked City Engineer Stone if, after this project and improvements to signalization are complete, there were any other solutions to the congestion issue besides high capacity transit. City Engineer Stone said the general rule is you have to build it bigger or reduce the volume of traffic to improve flow. He said taking this project to anything much more than it is would significantly impact a number of businesses along Highway 99W.

Councilor Woodard said he sees benefits to this project but asked staff how long they estimate these efficiencies to last. City Engineer Stone replied that if the city selects Option A-2, it is anticipated that it will take until 2028 to reach the condition it is in today.

Councilor Wilson said he would prefer to hear the presentation on the project before discussing its merits.

Mayor Dirksen said council approval earlier tonight of the agreement with ODOT and Walmart is an example of other things Tigard is doing to improve traffic. As development takes place in the Tigard Triangle, developers will be required to make improvements to all streets in the area, including 99W. He mentioned access (driveway) management as another way to improve traffic flow and reduce congestion. He said without wholesale destruction of private property and businesses along the corridor and widening 99W and turning it into another

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

interstate highway, there is little else Tigard can do to that corridor. He said the city needs to explore options for transportation through other Tigard streets and other means such as transit to address the issue.

Councilor Wilson used the analogy of road improvements as a Rubik's cube. He said that once you improve one thing, it affects something somewhere else; fixing an issue with one road draws increased traffic from others. He reiterated that traffic is the top concern of Tigard citizens.

4. DISCUSS AND DIRECT STAFF ON A CONCEPT DESIGN FOR PACIFIC HIGHWAY/McDONALD STREET/GAARDE STREET INTERSECTION

Senior Transportation Planner McCarthy introduced those heavily involved in this project: Tigard Senior Transportation Planner McCarthy, ODOT Project Manager Matt Fritag and WH Pacific Consultant Wayne Bauer who prepared all the modeling and exhibits. He said eight options were initially considered and these were narrowed down to three: A-2, B-2 and C-2. Staff is recommending Option A-2. He said Option B-2 widened only Gaarde and McDonald and Option C-2 widens Pacific Highway, but not McDonald or Gaarde. Option A-2 is a combination of B-2 and C-2.

City Engineer Stone said B-2 and C-2 were initially considered by the city because there was only enough funding available for them. With the additional MSTIP funding in hand staff recommends Option A-2, which is estimated at \$9.5 million.

Councilor Wilson asked which two properties have to be taken out entirely. City Engineer Stone said they estimate that it will be the two gas stations. He said this is a conservative, worst case scenario and there may be a way to reconfigure one or both. Mayor Dirksen said his initial reaction is that this could not be done without vacating the south side gas station.

Councilor Woodard said 26 properties are impacted and asked how much right of way is affected. Mayor Dirksen said some right of way would be necessary but it may not impair business. City Engineer Stone said there would also be impacts on the Walgreen's parking lot.

In response to a question from Councilor Henderson about capacity increases, Senior Transportation Engineer McCarthy confirmed that it is total intersection capacity and does a little more to address the afternoon capacity. He said the three key backup areas are southbound on Pacific Highway, the northbound left-turn access and traffic crossing McDonald and Gaarde.

In response to a question from Mayor Dirksen, Senior Transportation Engineer McCarthy clarified after completion, the intersection will work equally well in the morning and evening rush hours. City Engineer Stone said anyone who routinely drives in this area knows that the traffic is worse on Saturdays.

In response to a question from Councilor Woodard on other intersections that create bottlenecks, Engineer Stone replied that one area is Hall Boulevard, with traffic turning onto McDonald Street in the afternoons. Councilor Woodard asked if there was a project planned for this intersection and the mayor said there is a future project that addresses that intersection.

Mayor Dirksen said when council first started examining options for this intersection some had extremely negative impacts on businesses. He said consulting engineers WH Pacific are the

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

experts on this and he felt they came up with the best compromise. Councilor Wilson asked if there would be any other driveway closures and WH Pacific Engineer Bauer said he didn't think so but this project includes an access management plan with ODOT. Their main concern is permitted driveways in proximity to signalized intersections. Opportunities for combining driveways will be explored. Councilor Wilson said it is already problematic for drivers turning left to enter the Walgreen's parking lot on Gaarde. City Engineer Stone said with dual left-turn lanes at least someone could get by them, where currently, traffic gets stopped.

City Engineer Stone said \$1 million of OTIA funds must be spent by December 12, 2012. He said staff needs to know if there is consensus from council to finish the design of this project and begin right-of-way acquisition. Councilor Henderson gave the mayor kudos for being involved in regional transportation and helping the city obtain OTIA funding. Mayor Dirksen asked council if there was consensus for moving ahead with this project and council indicated there was.

5. RECEIVE TIGARD TRIANGLE UPDATE

Associate Planner Caines led the discussion on this item. Members of the Planning Commission joined the City Council for this topic. Planning Commissioners in attendance were Tom Anderson, Jason Rogers, Dianne Armstrong, Richard Shavey, Margaret Doherty, Matthew Muldoon and Andrew Miller. Ms. Caines referred to the document *Tigard Triangle: The Path Forward* which was included in the meeting packet. She introduced David Berniker from David Berniker Urban Design, one of the consultants for this document. She briefly discussed the history of development in the Triangle area, noting that a master plan for the area was prepared but never adopted. Work on a master plan and the development of land use policies and designations to support high capacity transit near the Triangle have been goals of the city council. The Tigard Triangle has also been designated as a possible transit station location in the southwest corridor.

Ms. Caines said the city applied for a Transportation Growth Management (TGM) grant and she will discuss a two-path approach, based on what happens if Tigard receives the grant and what can happen if it does not. TGM grant awards will be announced in October.

She said staff engaged the Planning Commission to work on a vision for the area. They attended workshops and toured the Triangle area, looking at it from an entirely different perspective. The last planning for the area occurred almost twenty years ago. Since then, many changes have occurred:

- The City Council supported expansion of the Town Center designation into the Triangle area, which would help to address traffic constraints
- The Transportation Planning Rule (TPR) has some flexibility
- Tigard has adopted a new Transportation System Plan
- Tigard's Comprehensive Plan has been updated

Ms. Caines noted that this is a new opportunity to see where the city has been and where it wants to go in the Triangle, building on the old plans, but including new information and seeking input from stakeholders who live and work inside the Triangle.

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

Consultant Berniker discussed steps to move forward with a comprehensive plan district. He said when the City Council and Planning Commission think about moving forward, there are some ideals to be considered. He urged everyone to get involved and noted that there has been a lot of good work to date that needs to be included (Metro SW Corridor Plan and HCT Land Use Plan). It is important to think of principles and ideals. He said it is very important to think of the financial feasibility of the project. There are a lot of sub areas on a complex site with multiple land uses and a varied topography. He said, “Mixed-use zoning was in place, yet things haven’t happened. Why?” He said the overriding issue in this area is connectivity.

Consultant Berniker said there is a draft vision statement in the document but there needs to be a new one done by the community as part of this process. He said important elements that need to be brought into the vision statement are:

- Housing elements – an array of housing types
- Vibrant set of uses (places where people want to gather and meet friends)
- Tie in sustainability (storm water runoff, design guidelines, solar)
- Connectivity (getting to and moving around in the area)
- Town Center definition (bringing together the downtown and the Triangle)
- Legibility (Creating a “place.” What elements of the community give people visiting the area a sense of where they are? Is there something that welcomes people to the Triangle?)
- Job creation

Consultant Berniker said the following criteria should be considered as the process evolves:

- Transportation capacity and connectivity
- HCT and alternative transportation modes
- Economic feasibility and the market
- Financing and funding
- Implementation strategies (infrastructure improvements and design regulations)

Consultant Berniker said the work plan has three areas: visioning and goal setting, framework plan, and economic analysis/implementation strategy. He said these elements are found within the TGM grant.

Associate Planner Caines discussed the two paths to achieve this planning, one with the TGM grant and one without. The grant award announcement will be made in October and, if awarded, work will begin in July, 2013. She said tasks that can be done in the meantime include putting together the scope of work and selecting a consultant. She said if the grant is not awarded, there is a scaled-back version. Ms. Caines said analysis at the same scale would be required but outcomes would be different. She said that could mean funding recommendations rather than an adopted strategy. It could also mean minor development code changes and connectivity policies. She said the city would most likely begin work on a plan for the Triangle in 2014 rather than 2013 if the grant is not received.

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

Councilor Henderson asked Associate Planner Caines what the consequence would be if the city does not do this study at this time. Ms. Caines responded that development will still occur because the location adjacent to three highways makes it ideal for commercial buildings. She said a lot of things are coming together now; an economic analysis pointed to the Triangle being a great location for high-density residential and an economic employment center. She said it would be a missed opportunity to align the area with the Tigard HCT (high capacity transit) Land Use Plan and the Southwest Corridor studies. Councilor Henderson said the city needs to do studies now to be ready when the economy improves. He said he just questioned if this needs the focus now.

Consultant Berniker said Tigard is in a terrific place to do something truly wonderful with the Triangle area. He said he sees many cities struggling with how to attract the growth that is coming in a way that would help their downtowns and communities. He said Tigard has many of the elements in place and this is an opportunity to leverage. In response to Councilor Henderson's question about the consequence of not doing this study now he remarked that there is a lot of competition and this is a chance for Tigard could get ahead of the curve.

Planning Commissioner Shavey presented an idea for an alternate path. He suggested breaking the Triangle into smaller areas, such as the Red Rock Creek location for residential and other areas for different uses. He suggested the city be creative and make features such as a manmade lake. He commented, "We don't know how to connect it to the rest of the city. Break it into smaller areas and develop them so we don't keep stumbling over the same thing." He said he hadn't heard any planners talking about taking this approach.

Councilor Wilson commented that it is a big are, and from his perspective, the recently developed and soon-to-be developed parts are not that interesting and those areas will probably remain as they are for the next thirty years. He suggested if cost becomes an issue, the city concentrate on areas likely to develop sooner. He noted that Tigard just completed a visioning project with the HCT station area plans and asked if the city is going to do it again or just get more details.

Associate Planner Caines said breaking the Triangle into smaller pieces or quadrants was discussed. A residential area could be planned along Red Rock Creek and focusing on development would support HCT. She agreed with Commissioner Shavey that the Triangle is not all the same. There are employment areas, commercial areas, and residential areas. She said tonight's discussion is more about setting the stage.

Councilor Wilson said he was on the Planning Commission when the first plan for the Triangle was completed. Phil Lewis School and single-family detached homes were surrounded by freeways. He said Costco took out an entire neighborhood to put in a warehouse store. He commented that he would like to do things differently this time. He said at the end of this process he would like to have more than just regulations. He expressed disappointment in the Regional Center Plan and feared that tight standards might deter development. He asked that design standards and regulations be examined through the economic component to see what is hampering development.

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

Councilor Woodard referred to spotlighting and asked if there is an opportunity within the TPR to look at newly designated areas. He asked if the city could bring in disciplines such as marketing and economic development to develop concepts. Mayor Dirksen replied that the challenge is bringing this type of expertise in-house but if the city gets the TGM grant, there is money to hire consultants.

Commissioner Rogers said the Planning Commission talked about spotlighting the area but he did not see it mentioned in the report. He said the Commission talked about best practices such as those used at Nimbus, Orenco Station, Dawson Creek; areas where someone started with a vision and a large piece of land and built a successful business park or neighborhood around high capacity transit. He said Tigard needs to incentivize and invite businesses in by branding and spotlighting the area. He said the city needs companies to think, “I can see my business here.” He said he was very much in favor of the plan and felt it captured their discussion, minus the spotlighting piece.

Commissioner Doherty said Tigard is landlocked and this is its last frontier. She suggested planning it carefully. She said she was hoping for more of upscale retail but it is a large area so there is room for more.

Commissioner Muldoon expressed interest in a decision-tree analysis that works backwards and explores what the possibilities are with and without high capacity transit.

Commissioner Armstrong commented that it appears a lot of hopes are pinned on receiving the grant. Associate Planner Caines said staff received positive feedback on their application. She said staff will move forward without the grant but resources are limited.

Consultant Berniker said, “This is a really important area.” The mayor noted it is important to Metro and Councilor Wilson added that it is also important to ODOT, who encouraged the city to apply for the grant.

Mayor Dirksen said he appreciated Commissioner Shavey’s concerns about doing the same thing over and over and wondering why it doesn’t work. He said his idea of breaking the area into smaller pieces is good but cautioned that if areas are addressed separately, they must be planned so each area relates to the context of the larger area. He supported the concept of spotlighting different areas for attention.

Commissioner Shavey suggested that Council task the Commission to come up with the concepts before the end of the year and said he would enjoy working on this. Mayor Dirksen said the Planning Commission will be relied on for momentum and if the city gets the full grant the burden will be on the Commission to keep the process moving in the direction of their shared vision with Council for this area.

Councilor Henderson suggested they not use the photo with the “for rent” sign in their printed materials.

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

Planning Commissioner Rogers said he felt the Council and Commission were on the same page and that they realize that doing nothing is the wrong approach, especially with high capacity transit coming. He said that doing nothing would lead to what is there now - disjointed, unplanned buildings.

Councilor Woodard said he would like to hear ideas on how to connect the Triangle to downtown. Mayor Dirksen said in his view, the lack of internal connectivity and the limited linkage to the rest of the community and region is the greatest single reason we have not seen better use of that land already. He said even if the city doesn't get the grant, staff must move forward with the "economy model" of planning because this area is so important to Tigard's future.



6. DISCUSSION ON ANNEXATION POLICY

City Manager Wine introduced this item, noting that staff presented an Annexation Background Report to council in July. Following the review of the report, staff began a discussion on the prioritization of topics related to annexation policy. She would like council's confirmation on this direction. The three major areas of annexation policy that the city is facing are:

1. Undeveloped extraterritorial areas (including Areas 64, 63 and the Roy Rogers West area recently added to the Urban Growth Boundary) and completion of the River Terrace Community Plan
2. Island areas
3. Developed extraterritorial annexation areas

City Manager Wine said that from her perspective the undeveloped extraterritorial areas have first priority for staff time and city resources. She said this emphasis and staffing restraints may mean that Priority No. 3 areas are not addressed immediately. She asked council if the incentives the city has created for Priority area No. 1 are working and if there were any they would like to add. She noted that council discussed philosophies for different islands and staff heard their preference for separate policies for each island. She asked what incentives exist for Priority No. 3 and if they are working. She asked if there were others that might incentivize residents in the urbanized extraterritorial areas to annex.

City Manager Wine said there were questions at the July meeting regarding legal concepts and staff received responses from the city attorney. She reported that it is required to annex an island in its entirety. Another question council had related to delaying implementation of city taxes. Ms. Wine said the city attorney responded that it is possible to approve an annexation with a delayed effective date and also possible to delay the imposition of taxes for up to ten years. She asked council if there was interest for staff to bring council options for what a delayed imposition of property taxes might look like.

Mayor Dirksen said there is an immediate need to move forward with the Community Plan for River Terrace area (including Areas 63, 64 and Roy Rogers West). He said a commitment was made to the county, regional partners and residents. He suggested the first step is to make

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

sure the entire area is annexed into the city before the Community Plan is finalized, which is the proper way, with a funding source and governance in place. He said that people are moving forward with petitions to annex in Area 63 and Roy Rogers West in order to get a triple majority annexation, but there is some hesitation because of uncertainty due to the fact that the city council is still discussing incentives. He said, "Property owners want to know exactly what the city can offer and we need to finalize this." He noted that the city is already offering a three-year tax phase-in period and there is concern among property owners that if the Community Plan is delayed then they may be paying at the higher rate before the plan is done and they can develop. He said the timeline most likely would lead to the Community Plan being finalized prior to the end of the phase-in period, but, if the City promised up front that the taxes would not increase until the Plan is done, it would give them certainty. He asked if staff had computed the financial impact of offering a three-year phase in period and City Manager Wine responded through 2016 the total lost revenue for all three areas (Areas 63, 64 and Roy Rogers West) is approximately \$92,000.

In response to a question from Councilor Wilson regarding phasing in taxes by a certain percentage a year or delaying them, City Manager Wine said both options are possible. Councilor Wilson inquired about the maximum time for phasing in property taxes. City Attorney Watts replied that it was five years.

Councilor Woodard expressed agreement with the Priority No.1 area incentive of paying the same taxes until the Community Plan is done. He said he couldn't foresee enough staff resources available to complete the island annexations at this time. He commented that to be fair, Area 63 should be offered the same incentives as Area 64.

Mayor Dirksen mentioned that in addition to a loss of revenue, there will be an increase to service costs such as police, but most of the area is sparsely populated so it may not be a huge increase, especially at first.

Councilor Henderson commented that this incentive information will be noted by citizens in other unincorporated areas (islands and developed extraterritorial). He said there needs to be communication with these other areas. City Manager Wine agreed that three conversations are required at this point and are different for each of the three prioritized areas.

Mayor Dirksen remarked that the incentive discussed tonight is for the Priority No. 1 areas only and there is consensus on this point. City Manager Wine said staff will prepare a revised resolution relating to annexation incentives that can put these in place sooner to facilitate completion of annexation petitions of Area 63. Mayor Dirksen urged staff to move forward on this.

Councilor Woodard moved to adjourn the City Council meeting and convene the City Center Development Agency meeting. Councilor Wilson seconded the motion and all voted in favor.

At 8:50 p.m. Mayor Dirksen called for a 10-minute break.

At 9:05 p.m. Mayor Dirksen reconvened the CCDA meeting.

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

CITY CENTER DEVELOPMENT AGENCY MEETING

7. APPROVE CITY CENTER DEVELOPMENT AGENCY MINUTES

A. July 3, 2012

Director Wilson moved and Director Henderson seconded a motion to approve the CCDA minutes of July 3, 2012. Director Woodard abstained because he was not in attendance. The motion passed.

| | Yes | No |
|------------------------------|-----|----|
| Director Buehner (absent) | | |
| Chair Dirksen | ✓ | |
| Director Henderson | ✓ | |
| Director Wilson | ✓ | |
| Director Woodard (abstained) | | |

8. REVIEW TARGETED INCENTIVE PROGRAM REQUEST FOR PROPOSALS

Redevelopment Project Manager Farrelly presented a request for proposals to attract new businesses that will add vitality to the downtown. The Targeted Incentive Program offers matching grants to prospective retail and restaurant tenants to help offset the cost of interior tenant improvements.

The CCDA discussed how to get the program information into the hands of businesses and building owners, including publicizing it at Rotary, Chamber of Commerce and advertising in the Daily Journal of Commerce. Redevelopment Project Manager Farrelly suggested CCDA members give the RFP to businesses they feel are appropriate.

CCDA Director Wilson commented that this RFP is a vast improvement from the earlier version. He asked City Attorney Bennett what the limits of CCDA discretion are, commenting that it seemed to him agencies have wide latitude in making choices. He said “This is public money and you don’t want to be picking favorites.”

City Attorney Bennett replied that the CCDA has immense discretion to establish criteria. As people apply the CCDA cannot vary from the established process. It is not uncommon to have a complex rating that supports an agency’s objectives. It is not incorrect to have objectives. He said the CCDA’s objectives are fairly general. He said that once the RFP goes out, the CCDA will evaluate the responses based on established criteria. He added that they could reject them all.

CCDA Director Wilson said one dilemma is that there might be applications that are not what the CCDA has in mind and he hoped the Agency would have the ability and good judgment to select a “winner.” Executive Director Wine asked for clarification from Director Wilson and he responded that he wants to be highly selective yet keep the process fair and ethical.

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

City Attorney Bennett said there is nothing inappropriate about the city contacting several coffee shops, for example, and urging them to apply. He said there may be some explaining to do if the business with lowest score is awarded the money. He said interviews will help with to the evaluation process.

The CCDA approved the Targeted Incentive Program RFP for release.

9. DISCUSS DEVELOPER MEETINGS

Redevelopment Project Manager Farrelly said the CCDA and the City have been investing a significant amount of money in the downtown but attracting private development has faced some hurdles. Development feasibility studies and informal discussions with developers indicate there are significant financial viability gaps in attracting the kind of mixed-use, multi-story residential development as envisioned in the Tigard Downtown Improvement Plan. He said the basic reasons are the cost to build, low rents, scarcity of low-cost land for redevelopment and the recession.

Mr. Farrelly said there are ways to address these challenges, particularly if the Agency is able to acquire land that can be brought to a public-private partnership in the future. He said as the city may be on the brink of acquiring some property, the Agency is intensifying its relationships with the development community to find out what the challenges and opportunities are to developing downtown Tigard. One strategy, as suggested by the SRJ consultant, is to hold one-on-one interviews with developers who specifically work on mixed-use buildings in downtowns. A list of developers was received from SRJ and they are being contacted and will meet with staff and the real estate advisor. This is also a way to market Tigard's downtown. He said they plan to meet with eight to ten developers and will bring this information back to a joint CCAC/CCDA meeting. He asked CCDA directors if there are any questions they would like asked of the developers.

Director Wilson commented that it is a great idea and he would like to be involved. He recommended looking at the recently adopted downtown codes and asking to what degree those might hinder or make developing in Tigard less attractive, in particular the stepping back of walls after a certain height. He mentioned that apartment buildings are being built in southeast Portland which have almost no parking but are within walking distance to transit.

Redevelopment Project Manager Farrelly said the CCAC developed parking standards of one spot per unit. He said one concern of having less parking is competition with businesses for parking. Director Wilson said he wasn't suggesting a change but just found the trend interesting.

Chair Dirksen suggested asking developers why they chose to develop their project somewhere else in the southwest quadrant such as in Beaverton or Tualatin, rather than in Tigard. He said hearing their perceptions would be helpful.

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

Director Woodard said there are probably many public-private partnership opportunities that could utilize a mix of incentives. He said he was interested in learning about financial incentives such as:

- What incentives were used for Washington Square
- Sewer reimbursement districts
- Deferred land costs
- Public-private partnerships.

CCDA Executive Director Wine suggested asking what developers are looking for in a public partner and what type of incentives would pencil out for them.

Chair Dirksen suggested asking them about the desirability of the city deferring fees and system development charges. He asked, “But what would happen if the city deferred fees and system development charges and the development failed?”

Director Wilson said it would be valuable also to ask Main Street Village owners what their demographics are and how that and their rental rates rents compare with other properties they may own.

Director Henderson said he would like to view the list of developers and would be surprised if the CCDA could get many companies to do respond. He guessed that they will look at this as a latent program that will take five years to develop. He suggested they be asked what their investment period is and when they expect a return. Executive Director Wine clarified that the developers will be asked how much lead time they think is involved to make the investment and also their willingness to be involved for what could be multiple years.

Redevelopment Project Manager Farrelly noted that some developers say they are looking for parcels that are five acres or more. He said there are some almost that size but looking in the future, we are going to have to start assembling parcels.

Redevelopment Project Manager Farrelly said staff will schedule this topic for a joint CCAC/CCDA session in November and present the results of the meetings. He noted that developers may prefer not to discuss things publically, so there may be a public and a private answer for some questions.

➤EXECUTIVE SESSION: At 9:41 p.m. the Tigard City Center Development Agency entered into Executive Session to conduct real property negotiations under ORS 192.660(2) (e). The Executive Session ended at 10:37 p.m.

10. COUNCIL LIAISON REPORTS: None

11. NON AGENDA ITEMS: None

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012

12. ADJOURNMENT

At 10:38 p.m. CCDA Director Woodard moved to adjourn and CCDA Director Henderson seconded the motion. Motion passed unanimously.

| | Yes | No |
|---------------------------|-----|----|
| Director Buehner (absent) | | |
| Chair Dirksen | ✓ | |
| Director Henderson | ✓ | |
| Director Wilson | ✓ | |
| Director Woodard | ✓ | |

Carol A. Krager
Carol A. Krager, Deputy City Recorder

Attest:

Craig E. Dirksen
Craig Dirksen, Mayor

November 13, 2012
Date

TIGARD CITY COUNCIL MINUTES – AUGUST 21, 2012